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March 13, 2007

AGENDA ITEM 8

TO: MEMBERS OF THE HEALTH BENEFITS COMMITTEE

I. SUBJECT: Update Status – Third-Party Medical Administrator Contract for Self-Funded Plans

II. PROGRAM: Health Benefits

III. RECOMMENDATION: Informational Only

IV. BACKGROUND:

At the February 21, 2007, Health Benefits Committee (HBC) meeting Blue Cross of California (Blue Cross) was selected as the current ranked finalist for the Medical Administrator Request for Proposal (RFP) 2006-3937. The HBC directed CalPERS staff to begin negotiations with Blue Cross. Transparency and innovation are two of the areas targeted in which Blue Cross needed to provide additional information as requested by CalPERS.

V. STRATEGIC PLAN:

CalPERS staff began negotiating with Blue Cross on March 5, 2007, and will continue until an Agreement is reached.

Gregory A. Franklin, Acting Chief
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